Federal Communications Commission 445 12<sup>th</sup> St., S.W. Washington, D.C. 20554

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> DA 02-1987 August 9, 2002

## **MEDIA BUREAU ACTION**

# MEDIA BUREAU SEEKS COMMENT ON PROPOSED INSULATION AND DIVESTITURE OF AT&T'S INTEREST IN TIME WARNER ENTERTAINMENT, L.P.

#### MB DOCKET NO. 02-70

Comment Date: August 30, 2002

Beginning on February 28, 2002,<sup>1</sup> the Commission received applications (collectively, the "Application") requesting consent to transfer to AT&T Comcast Corporation ("AT&T Comcast"), control of (1) licenses and authorizations held by Comcast Corporation ("Comcast") and (2) licenses and authorizations held by AT&T Corp. ("AT&T") associated with the operation of their respective cable systems. The Application was filed pursuant to Sections 214 and 310(d) of the Communications Act of 1934, as amended. In the Public Interest Statement filed with the Application, the Applicants stated that AT&T planned to divest its interest in Time Warner Entertainment, L.P. ("TWE") prior to the closing of the proposed merger.<sup>2</sup> The Applicants further stated that, if AT&T was unable to divest its TWE interest by the closing date of the merger, the interest would be insulated consistent with the Commission's attribution rules.<sup>3</sup> However, the Application did not specify the mechanism by which the interest would be insulated

On August 8, 2002, the Applicants filed supplemental information concerning a proposed means of insulating the TWE interest until it can be divested (the "TWE Proposal"). The Applicants assert that their proposed means of insulating the TWE interest is consistent with prior Commission decisions regarding insulation of attributable ownership interests.

We have reviewed the TWE Proposal and find that, upon initial review, it is acceptable for filing as an amendment to the Application. Because the TWE Proposal addresses a question left open by the Application, it is directly relevant to our evaluation of whether the proposed license transfer will serve the public interest. Input from interested parties will assist the Commission in analyzing the TWE Proposal.

<sup>&</sup>lt;sup>1</sup> On February 28, 2002, the Applicants filed a Public Interest Statement and associated applications for consent to the transfer of control of certain licenses and authorizations. On various subsequent dates, up to and including March 26, 2002, the Applicants filed additional, related transfer of control applications, re-filed certain applications, and filed supplemental information or amendments to the applications to make them acceptable for filing.

<sup>&</sup>lt;sup>2</sup> Public Interest Statement at 4, 19, 53-64.

<sup>&</sup>lt;sup>3</sup> *Id.* at 64.

By this Public Notice, we establish a 21-day period to receive comments on the TWE Proposal from interested parties. Commenters should not use this pleading cycle as an opportunity to reiterate arguments they have already made in this proceeding, or to discuss matters that pertain to the proposed merger generally, but not to the TWE proposal in particular.

To accommodate the pleading cycle, we will stop the clock on the 180-day review period that governs this proceeding.<sup>4</sup> At the close of the pleading cycle, we will re-start the clock unless intervening events dictate otherwise.

Pursuant to Sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 1.415, 1.419, interested parties may file comments on or before **August 30, 2002.** Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998). All filings regarding any aspect of the TWE Proposal should reference the docket number assigned to this proceeding, **MB Docket No. 02-70**.

Given recent changes in the mail delivery process, we strongly urge commenters to use the Commission's Electronic Comment Filing System (ECFS). Procedures for filing through ECFS are described below in the "General Information" section. The *ex parte* status of this proceeding will remain permit-but-disclose, as established in the initial Public Notice in this proceeding<sup>5</sup> and as described below in the "*Ex Parte* Status of this Proceeding" section.

### EX PARTE STATUS OF THIS PROCEEDING

Because this proceeding involves broad public policy issues, the proceeding will be treated as "permit but disclose" for purposes of the Commission's *ex parte* rules. *See generally* 47 C.F.R. §§ 1.1200-1.1216. *Ex parte* presentations will be governed by the procedures set forth in Section 1.1206 of the Commission's rules applicable to non-restricted proceedings. Should circumstances warrant, this proceeding or any related proceeding may be designated as restricted.

Parties making oral *ex parte* presentations are directed to the Commission's statement reemphasizing the public's responsibility in permit-but-disclose proceedings and are reminded that memoranda summarizing the presentation must contain the presentation's substance and not merely list the subjects discussed.<sup>7</sup> More than a one or two sentence description of the views and arguments presented is

<sup>&</sup>lt;sup>4</sup> The Commission has committed to expeditiously review proposed transactions by establishing an aggressive 180-day review period.

<sup>&</sup>lt;sup>5</sup> See AT&T Corp. and Comcast Corp. Seek FCC Consent for a Proposed Transfer of Control, Public Notice, DA 02-733 (rel. March 29, 2001), as modified by Applications for Consent to the Transfer of Control of Licenses, Comcast Corporation and AT&T Corp., Transferors, to AT&T Comcast Corporation, Transferee, Erratum and Order Extending Filing Deadline, DA 02-1033 (rel. May 3, 2002).

<sup>&</sup>lt;sup>6</sup> An *ex parte* presentation is any communication (spoken or written) directed to the merits or outcome of a proceeding made to a Commissioner, a Commissioner's assistant, or other decision-making staff member, that, if written, is not served on other parties to the proceeding or, if oral, is made without an opportunity for all parties to be present. 47 C.F.R. § 1.1201.

<sup>&</sup>lt;sup>7</sup> See Commission Emphasizes the Public's Responsibilities in Permit-But-Disclose Proceedings, Public Notice, FCC 00-358, 15 FCC Rcd 19945 (2000).

generally required. See 47 C.F.R. § 1.1206(b)(2), as revised. Other rules pertaining to oral and written presentations are set forth in Section 1.1206 (b) as well. We urge parties to use ECFS to file ex parte submissions. See "General Information" section below.

## **GENERAL INFORMATION**

Comments filed through the ECFS can be sent as an electronic file via the Internet to <a href="http://www.fcc.gov/e-file/ecfs.html">http://www.fcc.gov/e-file/ecfs.html</a>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply. Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appear in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). Commission's contractor, Vistronix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, we request that parties serve the following with either one electronic copy via e-mail or two paper copies of each pleading or *ex parte* submission: (1) Qualex International, Portals II, 445 12<sup>th</sup> Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone (202) 863-2893, facsimile (202) 863-2898, or email at <a href="qualexint@aol.com">qualexint@aol.com</a>; (2) Roger Holberg, Media Bureau, 445 12<sup>th</sup> Street, S.W., Room 2-C262, Washington, D.C. 20554, <a href="rholberg@fcc.gov">rholberg@fcc.gov</a>; (3) Erin Dozier, Media Bureau, 445 12<sup>th</sup> Street, S.W., Room 2-C221, Washington, D.C. 20554, <a href="edozier@fcc.gov">edozier@fcc.gov</a>; (4) Simon Wilkie, Chief Economist, Office of Plans and Policy, 445 12<sup>th</sup> Street, S.W., Room 7-C452, Washington, D.C. 20554, <a href="mailexietge-gberg-bureau">milexietge-gberg-bureau</a>; (5) James Bird, Office of General Counsel, 445 12<sup>th</sup> Street, S.W., Room 8-C824, Washington, D.C. 20554, <a href="mailexietge-gberg-bureau">jbird@fcc.gov</a>; (6) William Dever, Common Carrier Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C266, Washington, D.C. 20554, <a href="mailexietge-gberg-bureau">wdever@fcc.gov</a>; (7) Cynthia Bryant, International Bureau, 445 12<sup>th</sup> Street, S.W., Room 6-C807, <a href="mailexietge-cybryant@fcc.gov">cybryant@fcc.gov</a>; (8) Jeff Tobias, Wireless Telecommunications Bureau, 445 12<sup>th</sup> Street, S.W., Room 2-C828, Washington, D.C. 20554, <a href="mailexietge-gberg-bureau">jtobias@fcc.gov</a>; and (9) Lauren Kravetz Patrich, Wireless Telecommunications Bureau, 445 12<sup>th</sup> Street, S.W., Room 4-A163, Washington, D.C. 20554, <a href="mailexietge-gberg-bureau">lkravetz@fcc.gov</a>.

Alternate formats of this public notice (computer diskette, large print, audio recording, and Braille) are available to persons with disabilities by contacting Brian Millin at (202) 418-7426 voice, (202) 418-7365 TTY, or e-mail at bmillin@fcc.gov.

The media contacts for this proceeding are Margo Domon Davenport, (202) 418-2949, and Michelle Russo, (202) 418-2358. The Media Bureau Contact is Roger Holberg, (202) 418-2134.

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